



Air Force Materiel Command

Developing, Fielding, and Sustaining America's Aerospace



Inspector General - Contracting

19 Mar 2004

**Major Tim Durepo
HQ AFMC/IGIC
(937) 257-5849**

U.S. AIR FORCE

Timothy.Durepo@wpafb.af.mil

Integrity - Service - Excellence



Overview

- **IG Mission/Vision**
- **Types of Inspections**
- **Unit Compliance Inspections**
- **Trends**
- **Inspecting Service Contracts**
 - Approach
 - Inspection Procedures
 - Quality Assurance Checklist
 - UCI Checklist
 - Finding Examples
- **Summary**



AFMC/IG Mission/Vision

MISSION

Ensure AFMC Can And Is Delivering The Products That Support The Warfighter—And To Provide The Commander With A Sense Of His Command At A Snapshot In Time

VISION

Making Sure The Products We Deliver To The Warfighter Are The Right Products, Sent To The Right Place, At The Right Time With The Right Effect, A Proactive, Rapid, Integrated, Dominant Effect!



Types of Inspections

- Operational Readiness Inspections (ORI)
 - Evaluate and measure the ability of units with a wartime contingency, or force sustainment mission to perform assigned operational missions
- Nuclear Surety Inspection (NSI)
 - Evaluate unit's management of nuclear resources against approved safety, security and reliability standards
- Unit Compliance Inspection (UCI, focus for today)
 - Assess areas mandated by law as well as mission areas identified by AF and MAJCOM leadership as critical or important to assess/assure health and performance of organizations



Unit Compliance Inspections (UCI)



- Re-Established Compliance Inspections In FY98
- Inspection Interval (30 Months)
- Checklists Established And Maintained By AFMC
 - 2-Ltrs (Functional)
- Three-Tier Grading
 - In Compliance
 - In Compliance With Comment
 - Not In Compliance
- 120-Day Notice of Inspection
- 50-80 Evaluators, 9-10 days



Trends

- Publicizing Contract Actions
- Price Reasonableness
- Performance Based Service Contracts
- Modification Authorities
- DD 350 Errors
- Fair Opportunity



Inspecting Service Contracts





Approach

- 2-prong approach

- Contracting Inspectors

- PK inspectors execute checklists on sampling of service contracts

- Functional Inspectors

- Inspectors identify contracted functions at the unit in which they will execute functional checklists (e.g. LG looking at Trans, Supply, etc.)
 - SOWs and QASPs obtained 2-3 weeks prior to inspection
 - » Familiarize inspector with requirement
 - » Determine if written IAW PBSA
 - Execute QA checklist in addition to functional checklist



Inspection Procedures

Guidance

- Contract
 - Statement of Work (SOW)
 - Quality Assurance Surveillance Plan (QASP)
- AFI 63-124, Performance-Based Service Contracts (00 – present) & AFMAN 64-108, Service Contracts (prior to 00)
- AFMCIs for Functional Areas
- SAF/AQC and HQ AFMC Policy Letters
- Local Operating Instructions



Inspection Procedures

- Focus on Government “Oversight”
 - Contractor not performing, FINDING against:
 - QA personnel or FC/FD
 - » Inadequate QASP
 - » Gov’t requirements undefined
 - » SOW not written IAW PBSA
 - » Inadequate surveillance
 - Contracting Officer
 - » Not providing Phase I or Phase II QA training
 - » Contract files not documented



Inspection Procedures

- Dealing with potential issues
 - Address/discuss with QA Personnel
 - Document the “Entire Story” in your notes
 - Do not direct the contractor or have the QAP do so
- Tailor checklist if necessary
- Coordinate all Findings with a Contracting Inspector directly/indirectly related to contracting, QA surveillance, etc.
- Do not write up contractor
 - QA Personnel and/or contracting personnel are responsible for ensuring contract compliance



Quality Assurance Checklist



Functional Commander/Functional Director Responsibilities

- Has the Functional Commander/Director received training prior to commencement of duties? (AFI 63-124, para.4.2.2.)
- Has the Functional Commander/Director appointed in writing (when necessary), to the Contracting Officer, primary and alternate quality assurance (QA) personnel? (AFI 63-124, para 1.2.7.3.)
- Is the Statement of Work (SOW) written to be open, flexible and geared to commercial practices (i.e. Performance-Based)? (AFI 63-124, para 2.1.1.)
- Does the SOW cite reference instructions, publications, etc., by specific paragraph or chapter? (AFI 63-124, para 2.1.1.5.)
- Does the SOW include a Service Delivery Summary citing performance objectives (service required) and performance thresholds (specific standards)? (AFI 63-124, para 3.1.)
- Does the SOW have current lists of all GFP and/or GFE? (AFI 63-124, para 2.2.3.)



Quality Assurance Checklist



Quality Assurance Personnel (QAP/QAE/FAE/COR) Responsibilities

- Have appointed QA personnel received Phase 1 & 2 training prior to assuming QA duties? (AFI 63-124, para 4.2.2.)
- Have QA personnel evaluated and maintained documentation on the contractor's performance IAW the Quality Assurance Surveillance Plan and/or Award Fee Plan? (AFI 63-124 para 1.2.8.)
- Are Quality Assurance Surveillance reports/results and performance deficiencies brought to the Contracting Officer's attention? (AFI 63-124, para. 1.2.8.2.)
- Have QA personnel recommended improvements to the Quality Assurance Surveillance Plan and SOW throughout the life of the contract? (AFI 63-124, para. 1.2.8.4.)
- If the contractor is required to perform surveillance of services as part of their quality assurance system, is there some form of government oversight in place to confirm the contractor's surveillance results? (AFI 63-124, para. 4.1.6)



UCI Checklist

Performance Based Services Acquisition

- Note: See AFI 63-124, Attachment 2, for a complete listing of all exceptions. Service contracts awarded prior to 26 Oct 00 must comply with AFM 64-108.
- Does the contract specify procedures for reductions of fee or for reductions to the price of a fixed-price contract when services are not performed or do not meet contract requirements? [FAR 46.407; Note: Inclusion of the Inspection of Services Clause meets this requirement, AFI 63-124, para 4]
- Have performance incentives been included where appropriate? [AFI 63-124, paragraph 2.1.1.3, FAR 37.602-4]
- Does the contract SOW address the mandatory provision Performance of Services During Crises Declared by the National Command Authority or Overseas Combatant Commander? [AFI 63-124, Attachment 3.1]
- Are contractors informed of the names, duties, and authority limitations for all QA personnel assigned to the contract? [AFI 63-124, paragraph 1.2.9.2]
- Does the quality assurance surveillance plan specify how inspection and acceptance of services is to occur? [AFI 63-124, paragraph 4.1.7]



UCI Checklist

Contract Surveillance

- Note 1: Quality Assurance (QA) personnel may also be referred to as QAEs, FAEs, and CORs
- Has a full time Quality Assurance Program Coordinator (QAPC) for service contracts been assigned and completed the QAPC training course? [AFI 63-124, paragraph 1.2.6.3, and paragraph 4.2.2.1]
- Is there a training program in place for QA Phase I training? [AFI 63-124, paragraph 4.2.2.2]
- Has the contract administrator provided Phase II training for all assigned QA personnel? [AFI 63-124, paragraph 4.2.2.3]
- Is there a QASP (Quality Assurance Surveillance Plan) in the contract file? [AFI 63-124, paragraph 3.3, 4.1.7]
- Are SDSs (Service Delivery Schedules) with measurable performance standards included with each SOW? [AFI 63-124, paragraph 3.1]
- Are Quality Assurance (QA) personnel evaluating and documenting surveillance IAW with the QASP? [AFI 63-124, paragraph 1.2.8.1]



Finding Examples (PK)

(MAJOR DEFICIENCY) (Ref: AFI 63-124, para 2.1.1.3, 2.1.1.5 and Atch 3) Functional directors and Contracting officers did not ensure several service contracts were written with performance-based criteria. OPR: HQ AFMC/PKP, OCR: HQ AFMC/IGIC, CAUSE CODE: Training

- Did not include measurable performance thresholds in Service Delivery Summaries for several contracts
- Referenced entire instructions instead of citing specific sections or paragraphs in statements of work for two contracts
- Did not ensure mandatory provision, Attachment 3 was included in several contracts
- IMPACT: Could unnecessarily increase contract costs and may result in inadequate Government oversight



Finding Examples (PK)

(P001-FINDING) (Ref: FAR 37.6; AFI 63-124)

Contracting Officers did not document in the contract files that performance based methods were used to the maximum extent possible for task orders awarded from General Services Administration Federal Supply Schedules (FSS). OPR: HQ AFMC/PKV, OCR: HQ AFMC/IGIC

- 6 of 8 task order contract files reviewed contained a Quality Assurance Surveillance Plan (QASP) that was not signed
- Two task order contract files did not contain QASPs
- Eight task order contract files reviewed did not include written appointment of primary and alternate Quality Assurance (QA) personnel by the Functional Director or Functional Commander
- Eight task order contract files reviewed did not include written delegation of authority for inspection and/or acceptance to QA personnel signed by the Contracting Officer
- Eight task order contract files reviewed did not include names, duties, and limitations of authority for QA personnel assigned to the contract
- QA personnel did not receive Phase I training prior to commencement of duties
- IMPACT: Government QA program was degraded



Finding Examples (Functionals)



- (MAJOR DEFICIENCY) (Ref: AFI 21-201, para 4.2.1.1.3) XXnd Logistics Readiness Division, Supply Services, Quality Assurance personnel did not ensure annual re-certification was accomplished on all assigned certified munitions inspectors. OPR: HQ AFMC/LGMW, OCR: HQ AFMC/IGIA, CAUSE CODE: Oversight
- Did not verify two of two (all) certified munitions inspectors retained current proficiency on inspection qualifications
 - IMPACT: Improper inspection qualification could cause injury to personnel
- (MINOR DEFICIENCY) (Ref: AFI 24-301, para 1.2.8.7) Quality Assurance personnel did not ensure base support and operational plans were reviewed and procedures established for recall or redistribution of vehicle assets; 12 of 26 plans had outdated or no checklists. OPR: XX MSG/LGRDVQ, OCR: Center/IG, CAUSE CODE: Oversight



Summary

- **IG Mission/Vision**
- **Type of Inspections**
- **Unit Compliance Inspections**
- **Trends**
- **Inspecting Service Contracts**

Want More Information? Visit the following Sites:

https://afkm.wpafb.af.mil/ASPs/HQ_AFMC/IG/Entry.asp?Filter=HI



Questions???